

ORDINANCE

APPROVING AMENDMENTS TO THE DEVELOPMENT AGREEMENT WITH SOUTHSTAR MISSION DEL LAGO HOLDINGS, L.P., THE INTERLOCAL AGREEMENT WITH BEXAR COUNTY AND THE MISSION DEL LAGO TAX INCREMENT REINVESTMENT ZONE NUMBER SIX TO MODIFY THE PARTICIPATION RATES AND MAXIMUM CONTRIBUTION AMOUNTS, THE TIRZ FINANCE PLAN AND PROJECT PLAN AND APPROVING AN AGREEMENT WITH SOUTHSIDE ISD TO TERMINATE ITS ROLE AS A PARTICIPATING TAXING ENTITY IN THE MISSION DEL LAGO TIRZ, INCLUDING ACCEPTANCE OF 25.40 ACRES OF REAL PROPERTY LOCATED ON SOUTH US HWY 281, SAN ANTONIO, TEXAS 78221.

* * * * *

WHEREAS, the City of San Antonio, Texas (“City”), Bexar County, Texas (“County”) and the Mission Del Lago TIRZ Board of Directors (“Board”) support all programs which allow for economic development within its boundaries; and

WHEREAS, in accordance with the Tax Increment Financing Act, Texas Tax Code, Chapter 311 (the “Act”), City Council in 1999 through Ordinance No. 90312 designated the Mission Del Lago Tax Increment Reinvestment Zone Number Six, to promote the development and redevelopment of property within the Mission Del Lago TIRZ, which would not otherwise occur through private investment in the reasonably foreseeable future; and

WHEREAS, on June 29, 2006, City Council through Ordinance No. 2006-06-29-0801 approved a Development Agreement with SouthStar Development Partners, Inc. for the construction of public infrastructure to support over 2,734 single-family homes; and

WHEREAS, on January 18, 2018, City Council approved an assignment of the Development Agreement from SouthStar Development Partners Inc. to SouthStar Mission Del Lago Holdings, L.P. (“Developer”); and

WHEREAS, on May 9, 2019, City Council through Ordinance No. 2019-05-09-0387 approved an Amended and Restated Development Agreement by and between the City, Board and Developer to further develop the property located within the Mission Del Lago TIRZ; and

WHEREAS, on May 9, 2019, City Council through Ordinance No. 2019-05-09-0387 also approved Amended and Restated Interlocal Agreements by and between the City, Board, Bexar County, Southside ISD and University Health System to address the maximum contribution of the Participating Taxing Entities, as well as lower participation rates for the Participating Taxing Entities in the future; and

WHEREAS, on February 19, 2020, the Developer deeded by Special Warranty Deed to Southside Independent School District (“School District”), a 25.40 acre tract of real property within the Mission Del Lago TIRZ, described as:

A 25.40 acre tract of land, out of the J.A. De La Garza Survey A-3, being a portion of a 96.98 acre tract of land known as Tract 3 conveyed to SouthStar Mission Del Lago Developer, LLC of record in Volume 17107, Page 1426 of the Official Public Records of Bexar County, Texas and being more particularly described by metes and bounds on Exhibit "A" attached hereto and referred to as the "Land", together with (i) any and all improvements, buildings and fixtures situated on the Land (the "Improvements"); and (ii) all right, title and interest of SouthStar Mission Del Lago Developer, LLC, id any, in and to any and all appurtenances, strips or gores, roads, easements, streets, alleys, drainage facilities and rights-of-way bounding the Land, all utility capacity, utilities, water rights, licenses, permits, entitlements, and bonds, if any, and all other rights and benefits attributable to the Land, and all rights of ingress and egress thereto (collectively, the "Additional Interests". The Land, Improvements and any Additional Interests are hereinafter collectively referred to as the "Property".

WHEREAS, on May 31, 2023, City sent Invoice No. 91712296 in the amount of \$3,003,891.39 to School District for the 2022 Tax Increment Payment.

WHEREAS, on August 23, 2023, City sent Invoice No. 91731839 in the amount of \$6,520.37 to School District as an additional 2022 Tax Increment Payment.

WHEREAS, School District did not remit any portion of the 2022 Tax Increment Payment, such that the outstanding balance owed to City for the 2022 Tax Increment Payment is \$3,010,411.76 (the "Outstanding Balance"); and

WHEREAS, on December 6, 2023, the School District notified the City of its intent to terminate its involvement as a Participating Taxing Entity in connection with Mission Del Lago TIRZ, which was accepted by the Board for the Mission Del Lago TIRZ on February 23, 2024.

WHEREAS, on January 1, 2023, the School District incurred the obligation for the 2023 Tax Increment Payment.

WHEREAS, on January 1, 2024, the School District incurred the obligation for the 2024 Tax Increment Payment.

WHEREAS, separate and apart from the request by School District to terminate its involvement in the Mission Del Lago TIRZ, Developer made a request to the City, County and Board to increase the Maximum Reimbursement amount under the Amended and Restated Development Agreement to Sixty-Five Million, Three Hundred Five Thousand, Nine Hundred Ninety-Four dollars and no cents (\$65,305,994.00) for additional public improvements made to the property located within the Mission Del Lago TIRZ; and

WHEREAS, in an effort to meet the obligations owed by School District as a Participating Taxing Entity, as well as the additional funds requested by the Developer, City and County discussed a Second Amended and Restated Interlocal Agreement by and between the City, Board and County,

which would increase the maximum participation amount for both the City and County and eliminate any decrease in the participation rate that was expected under the Amended and Restated Interlocal Agreement; and

WHEREAS, as part of the termination of School District’s involvement as a Participating Taxing Entity, School District has agreed to transfer the Property to City; and

WHEREAS, on February 23, 2024, the Board approved through a Resolution the Amendment to the Amended and Restated Development Agreement by and between the Developer, the City and the Board and the Second Amended and Restated Interlocal Agreement by and between the City, the County and the Board, as well as accepting the request of the School District to terminate its involvement as a Participating Taxing Entity in the Mission Del Lago TIRZ; and

WHEREAS, it is now necessary for the City Council to approve the Amendment to the Amended and Restated Development Agreement, which is attached hereto as **Exhibit “A”**, the Second Amended and Restated Interlocal Agreement, which is attached hereto as **Exhibit “B”**, the amended Project Plan, which is attached hereto as **Exhibit “C”**, and amended Finance Plan, which is attached hereto as **Exhibit “D”**, for the continued development of the Mission Del Lago TIRZ;
NOW THEREFORE:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The terms and conditions of the Amendment to the Amended and Restated Development Agreement by and between the Developer, the City and the Board, attached hereto as **Exhibit A**, are hereby approved.

SECTION 2. The City Manager or his designee is authorized to execute this Amendment to the Amended and Restated Development Agreement, which has been incorporated into this Ordinance for all purposes.

SECTION 3. The terms and conditions of the Second Amended and Restated Interlocal Agreement by and between the County, the City and the Board, attached hereto as **Exhibit B**, are hereby approved.

SECTION 4. The City Manager or his designee is authorized to execute this Second Amended and Restated Interlocal Agreement, which has been incorporated into this Ordinance for all purposes.

SECTION 5. The amended Project Plan, attached hereto as **Exhibit C**, and the amended Finance Plan, attached hereto as **Exhibit D**, are hereby approved and adopted.

SECTION 6. City hereby agrees to accept the transfer of the Property in connection with the termination of the School District’s involvement as a Participating Tax Entity in the Mission Del Lago TIRZ.

SECTION 7. Funding for the amendments in this ordinance will come from Fund 29086004, Cost Center 0703260001 and General Ledger 5201040.

SECTION 8. The acquisition of surplus property must be coordinated through the city’s Finance

Department to assure the addition of these assets into the City's financial records and to record the proper accounting transactions.

SECTION 9. The financial allocations in this Ordinance are subject to approval by the Deputy Chief Financial Officer, City of San Antonio. The Deputy Chief Financial Officer may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific Cost Centers, WBS Elements, Internal Orders, General Ledger Accounts, and Fund Numbers as necessary to carry out the purpose of this Ordinance.

SECTION 10. This Ordinance is effective immediately upon passage by eight affirmative votes; otherwise, it is effective on the tenth day after passage.

PASSED AND APPROVED this ____ day of _____ 2024.

M A Y O R
Ron Nirenberg

ATTEST:

APPROVED AS TO FORM:

Debbie Racca-Sittre, City Clerk

Andrew Segovia, City Attorney

TR
3/21/2024
Item No. 24-198461

EXHIBIT A

TR
3/21/2024
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EXHIBIT B

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3/21/2024
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EXHIBIT C

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EXHIBIT D